



**Milwaukee County Employees' Retirement System (ERS)
October 19, 2022 Governance Committee Meeting
MINUTES**

Call to Order

Governance Committee Chair Jeff Gollner called the Governance Committee meeting to order at 10:02 a.m. on Wednesday, October 19, 2022. The meeting was held virtually due to the COVID-19 pandemic.

Committee Members Present:

Jeff Gollner
Kessha Hobson
Jeremy Lucas
Himanshu Parikh

Others Present:

Erika Bronikowski, Retirement Plan Services
Jessica Culotti, Reinhart Boerner Van Deuren
Tasha Ford, Retirement Plan Services
Judd Taback, Milwaukee County Office of Corporation Counsel

Other Pension Board Members Present:

Committee Members Not in Attendance:

1. Topic: Chairperson's Report

Chairperson Gollner welcomed the Committee to the meeting and noted that trustees recently completed Part One of the Certificate of Achievement in Public Plan Policy from the International Foundation of Employee Benefit Plans. A related item, 2023 Education Planning, is on this agenda and will be discussed later in the meeting.

2. Topic: Meeting Minutes – August 31, 2022

A motion by Trustee Lucas, seconded by Trustee Gollner, was made to approve the August 31, 2022 Governance Committee Meeting minutes. The motion passed unanimously.

3. Topic: 2023 Committee Calendar

Ms. Bronikowski explained that the Governance Committee Charter provides that the Governance Committee will set its calendar. She provided a list of focuses for the Committee in memo format for 2023 as follows:

- Election of Committee Chair
- Final Review of 2021-2022 RPS Strategic Plan
- Initial Approval and Quarterly Review of 2023-2024 RPS Strategic Plan
- Implementation of recommendations from 2022 Board Self-Assessment
- Annual evaluation of compliance with the Continuing Education Policy
- Prepare 2024 Education Plan
- Prepare 2024 Committee Calendar
- Other Items as Referred by the Pension Board Chairperson or Pension Board

4. Topic: 2023 Education Planning (including Education Budget)

Ms. Bronikowski explained that the Governance Committee Charter provides that the Governance Committee is responsible for Board member education and evaluation. She added that the Pension Board's Continuing Education and Travel Policy requires trustees to complete at least 16 hours of continuing education each year.

Ms. Bronikowski further explained that the Board completed Part One of the Certificate of Achievement in Public Plan Policy from the International Foundation of Employee Benefit Plans. This provided 16 hours of education on Governance, Fiduciary Responsibility, Actuarial Principles, and Legislative Updates. She

recommends completing Part Two of the Certificate of Achievement in Public Plan Policy coursework for 2023 which covers Plan Design, Investments, Business Improvement Strategies, and emerging Issues.

Finally, Ms. Bronikowski explained that Pension Board trustees request approval for conference attendance from the Pension Board. In recent years, the Board has pre-approved conference attendance for certain organizations. If a trustee desires to attend another conference or continuing education opportunity, they would bring it before the Pension Board for approval.

The Continuing Education and Travel policy limits travel to three conferences and \$6,000 in travel costs per trustee.

The Governance Committee should consider pre-approving education from certain reputable organizations such as the IFEBP, NCPERS, and NASRA for 2023.

Trustee Gollner moved to recommend approval of funding for Certificate of Achievement in Public Plan Policy Part Two and preapproval of memberships and education for NCPERS, IFEBP, NASRA for 2023. The motion was seconded by Trustee Lucas and passed unanimously.

5. Topic: ERS/RPS 2021-2022 Strategic Plan Completion Update

Ms. Bronikowski provided the quarterly strategic plan update for the end of the third quarter of 2022. The next strategic plan for RPS will be developed at the end of 2022 and will cover 2023 and 2024. The RPS strategic plan is developed every other year by staff and includes goals under the following categories: benefits administration, member services, financial governance, and organizational learning and development.

Ms. Bronikowski explained that 54 of 103 goals have been completed and 18 are scheduled to be completed during the second quarter of 2022. These goals include: enhancing paperless document delivery to members, review of service credit calculation policy, identifying enhancements to the digital self-service site, beneficiary cleanup, and team building activity.

There is only one quarter left in the strategic plan period. 26 goals are more than one quarter overdue. This is primarily due to staff turnover and vacancies. At this time, RPS is on track to complete about 75% of goals by the end of this year. The remaining goals that are not completed by the end of 2022 will either be reassigned to the 2023-2024 strategic plan or will be removed with an explanation as to why they will not be completed.

6. Topic: ERS/RPS 2023-2024 Strategic Planning Project Status Update

Ms. Bronikowski explained that RPS has initiated their biennial strategic planning process in partnership with Milwaukee County's Learning and Development team in September. The team kick off meeting was held, four teams were set up, team leads were identified and trained, and the initial round of brainstorming meetings for each of the four teams was scheduled. The four teams are: benefits administration, member services, financial governance, and organizational learning and development.

The teams will brainstorm, then review and finalize their goals by mid-December. The RPS leadership team will review and assign the goals and prepare the document for the Governance Committee to review in early 2023.

7. Topic: Board Effectiveness Assessment Project Status Update

Ms. Bronikowski explained that the Pension Board selected Nasdaq as a Board Self-Assessment provider in November 2021. The draft contract was provided at the end of December 2021 and was signed in July 2022.

In early August, the kickoff meeting was held with Nasdaq to develop the evaluation form. Nasdaq then provided a draft evaluation for the Governance Committee's review, which was approved in August. The evaluations are scheduled to be circulated this Friday to trustees with a response deadline of November 4, 2022. Nasdaq also plans to conduct interviews between October 21, 2022 and November 9, 2022.

8. Topic: Pension Administration System Upgrade Status Update

Ms. Bronikowski explained that the RPS team recently went live with an updated pension administration system on August 1, 2022. The system is generally functioning as expected with some non-essential functions still being worked on. System releases are going in every two weeks to roll out fixes to the system.

The system is currently in the warranty period and issues identified during the warranty period will be fixed under the umbrella of the upgrade costs. Issues identified outside the warranty period will go into the queue to be fixed and may require a change order or will count against the bucket of contracted hours RPS was provided by the vendor.

As with all major system upgrades, issues have been identified that were not uncovered during the testing phase. When the team finds an issue, it is helpful to recreate the situation in the old version of the system to determine how it was functioning before and identify whether the issue is strictly due to upgrade work or due to something else such as data. To do this, the prior version of the system will be accessible as read-only through October 31, 2022.

The RPS team has been able to complete considerable testing post-go-live to log as many issues as possible during the warranty period. This testing included generation of a sample 1099-R file. Additional issues identified outside of the warranty period can be addressed with the Vitech team. The maintenance agreement with Vitech provides 500 hours of time for fixes.

Ms. Bronikowski explained that given the amount of testing that has been completed and the available maintenance hours, extension of the warranty period and a hosting extension for the old system will not be necessary.

In response to questions from Chair Gollner and Trustee Parikh, Ms. Bronikowski explained that regular system updates and releases are pushed out to all clients with the V3locity system so that a future system upgrade will not be needed. She added that the RPS systems team receives notice of the release from Vitech and then conducts the proper testing and coding to ensure the release will not affect functionality in the system.

9. Topic: Board Portal Implementation Update

Ms. Bronikowski provided a status update on the implementation of the Pension Board's Board Portal. The contract has been executed and administrator accounts have been set up. RPS staff is currently getting trained and will plan to run a test cycle in November then release to trustees for the December Board meeting.

10. Topic: Adjournment

The meeting adjourned at 11:00 a.m.